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1 June 2015

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SALT LAKE CITY  
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United States

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DIV. OF OIL, GAS & MINING

## CHANGE TO RIO TINTO PAYMENTS POLICY

Dear Valued Supplier:

The operating environment in our industry remains challenging. In light of lower commodity prices, we must seek to remain a strong and reliable business partner for all of our suppliers, customers, and stakeholders. Therefore, Rio Tinto is adopting a change to our corporate payments policy and process, standardizing payment processing arrangements to reflect evolving market conditions and industry standards.

As of 1 June 2015, Rio Tinto is moving to change the timing of its payments processing arrangements to be 45 days from the end of accumulation period. The accumulation period will run from the first day and end on the last day of the calendar month. In light of the nature of our business relationship, you have been pre-approved for a payment term of 10 days net. We are also moving the timing of our payment runs to twice-monthly in order to ensure all suppliers have predictability when payment will be made. Any discounts will be carried over to the new payment terms.

These changes would mean that:

- a. Our payment terms will be a minimum of 10 days from the date the invoice is received.
- b. Our current weekly payment runs schedule will be replaced by twice-monthly payment runs, occurring on the 1<sup>st</sup> and 15<sup>th</sup> day of each month (or next business day).
- c. All payments will be made in the payment run immediately following the end of the payment term.

Rio Tinto values our relationship with your company and we ask for your help in implementing these changes. We believe this change will increase the efficiency and predictability in our accounts payable process and help provide cash flow certainty to our suppliers.

This letter is notice to you that our new standard payment policy and processing arrangements will be applied to all invoices dated and received from you from 1 June 2015. Please update your records to reflect this change.

Should you have any questions or concerns regarding this communication, or if you believe there are circumstances why the new policy should not apply to you, please contact our Supplier Helpdesk at +1 888 448 3375 or via e-mail at [PaymentPolicy-US@riotinto.com](mailto:PaymentPolicy-US@riotinto.com).

Yours Sincerely,



Sam Walsh  
Chief Executive  
Rio Tinto